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CHAPTER ONE

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INTRODUCTION

With the passage of the National Security Act of 1947, Congress recognized the importance of timely and accurate intelligence information about the activities, capabilities, and intentions of foreign powers. Placement of the Director of Central Intelligence (DCI) under the direction of the National Security Council emphasized the critical relationship of intelligence to national security.

The importance of timely and accurate intelligence to national security is no less today and cannot be expected to lessen in the future. To meet this need it is vital that the organizations providing intelligence to US policy makers be of the highest quality. Quality products do not come from average organizations.

The record reflects that the quality of intelligence organizations and their products have primarily derived from heavy investment over time in human capital for both skills and committment. While major investments in technical tools have significantly affected collection, information assimilation, and analysis, the critical element of adaptiveness and response by intelligence organizations to their legislated missions has been through their people.

The Intelligence Community must continue to attract and retain high quality, dedicated staff. There is growing concern about the increasing inability to attract to the federal government the country's best talent.

This issue will continue to be a major concern of the executive branch, the Congress and the Intelligence Community. The changing techniques of intelligence dictate new technical skills and adaptive management

The Congressional intelligence oversight committees have directed increasing attention to human resource management (HRM) The Congress directed that NAPA perform a comprehensive review and comparative analysis of the civilian personnel management and compensation systems of the Intelligence Community (IC). In this study the NAPA panel:

- -- Examined the need for significant change in the existing IC personnel systems given the strategic trends in the intelligence function and the economic, social, and demographic trends in U.S. society.
- -- Examined these personnel systems to ascertain if they will be adequate to attract and retain the highest quality personnel through the 1990s.
- -- Analyzed personnel issues facing the IC that may differ greatly from those facing the federal government in general.
- -- Compared the personnel needs and requirements facing the individual IC agencies, with due regard for the differing missions, risks, job requirements and environments of the organizations in the community.

The Congress directed the Academy panel to recommend changes, if warranted, in legislative, regulatory, or other areas in the personnel and/or compensation programs to improve the effectiveness of the personnel systems of the IC agencies and to ensure they are able to accomplish their missions in the years ahead.

The seven member NAPA panel, assisted by its project staff, has reviewed issues which encompass:

- -- How anticipated changes in the U.S. workforce will affect intelligence agencies.
- -- The impact of future intelligence requirements on human resource management systems, and how these systems might be organized to meet changing needs.
- -- Different levels of compensation within the intelligence agencies and how they compare to the rest of the federal government and the private sector.
- -- Recruitment and retention, especially as they relate to critical skill occupations, and whether personnel security requirements adversely affected agencies' ability to get quality staff.
- -- How well the agency career development and training programs support current and future mission accomplishment.
- -- Efforts the agencies have undertaken to make their workforces more representative of all groups within the U.S. population, and whether current levels of effort will enable the agencies to continue to diversify their workforces.

In addition, the Senate Select Committee on Intelligence requested that NAPA review IC staffing costs and make appropriate recommendations on ways to constrain these costs without adversely affecting intelligence missions. This report addresses these possibilities in the context of overall workforce efficiency.

Principal findings are presented in Volume I of this report. Supplemental information, including a great deal of comparative information on each subject examined, is contained in Volume II. This introductory chapter describes the agencies' breadth of missions and the history of special treatment Congress has considered necessary for these agencies.

CHANGING FUNCTIONS REFLECT BREADTH OF MISSIONS

While enabling statutes are essentially unchanged, the activities the intelligence agencies perform and the priorities they address to fulfill their missions are continually adapted to changing national security needs. As recently as five years ago, few experts would have predicted the extent of the roles many of the agencies now play in monitoring arms control agreements or tracking international financial dealings -- especially those related to drugs. Certainly, glasnost and perestroika were not in most Americans' vocabularies, and their impact on agency missions can still not be fully predicted.

The breadth and complexity of global issues with significant national security implications has grown in the last decade and the panel foresees no diminution in this trend. Terrorism, narcotics, nuclear proliferation, evasions of U.S. export controls, arms

